

Message Text

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ACTION EB-07

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1522

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E.O. 11652: N/A

TAGS: EFIN, BL

SUBJECT: LATIN AMERICAN MILITARY DEBT ARREARAGES

REF: STATE 136243

1. THANK YOU FOR GIVING US THE OPPORTUNITY TO COMMENT ON THE LONG-STANDING PROBLEM OF MILITARY MISSION DEBT ARREARAGES. WE DO NOT AS YET HAVE THE POUCHED DOCUMENTATION, BUT CAN INFORM YOU NOW THAT THERE ARE NO EMBASSY RECORDS ABOUT MISSION ARREARAGES.

2. WE HAVE BEEN AWARE FOR SOME TIME THAT A PROBLEM EXISTED RELATING TO PAYMENTS IN PURSUANCE OF MISSION AGREEMENTS. INFORMALLY WE SOUGHT TO ELICIT FROM WASHINGTON EXACT DATA FOR OUR CONSIDERATION OF WHAT STEPS TO PROPOSE. UNFORTUNATELY, WE LEARNED ORALLY THAT US RECORD-KEEPING, BILLING PROCEDURES, FOLLOW-UP, ETC., WERE NOT HANDLED OVER THE YEARS SO AS TO ENABLE US OR GOB TO KNOW WHAT WAS OWED, WHAT WAS BILLED, WHAT WAS COLLECTED, WHEN ANY ARREARAGE WAS FOLLOWED UP, WHO WAS CONSULTED, ETC. IN VIEW OF THESE FAILURE ON OUR PART, WE DOUBT WE ARE ON GOOD GROUNDS TO ATTEMPT TO COLLECT FROM THE GOB.

3. OUR RECOMMENDATION IS THAT WE ADMIT TO OURSELVES THAT THE WAY WE HANDLED THE ARREARAGES GAVE RISE TO THE BELIEF IN GOB OVER TIME THAT WE HAD DECIDED THAT THE BENEFITS TO US FROM THE LIMITED OFFICIAL USE

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OPERATIONS OUTWEIGHED THE COST ESTABLISHED IN THE AGREEMENTS.

FURTHERMORE, WE SHOULD BE ABLE TO ASCRIBE TANGIBLE BENEFITS TO OURSELVES WHICH FAR OFFSET THE AMOUNT OF THE ARREARAGES. FOR EXAMPLE, CAN WE NOT ASCRIBE THE CAPTURE OF "CHE" GUEVARA AND THE DISMEMBERMENT OF HIS GUERRILLAS BY US-TRAINED BOLIVIAN MILITARY AS A MATERIAL BENEFIT TO THE US WORTH MANY THOUSANDS OF DOLLARS? CAN WE NOT ASCRIBE BENEFITS TO US OF THE EXISTENCE OF A STABLE AND GROWING BOLIVIA TO THE EFFORTS OF THE US-TRAINED BOLIVIAN MILITARY WHO BROUGHT THIS COUNTRY BACK TO REASON FROM A NEAR PLUNGE INTO COMMUNISM AND CHAOS?

4. AS TO THE FUTURE, I RECOMMEND THAT THE MILITARY GROUP COMMANDER BE INSTRUCTED TO REVIEW PROMPTLY WITH THE MINISTER OF DEFENSE THE TERMS OF EXISTING AGREEMENTS; TO STATE THAT WE WISH TO DEVELOP ARRANGEMENTS FOR PAYMENTS OF FUTURE BILLINGS; AND TO SAY THAT IF SATISFACTORY PROCEDURES ARE ESTABLISHED FOR FUTURE PAYMENTS, THAT THE OUTSTANDING ARREARAGES WILL BE WIPED OFF THE BOOKS.
STEDMAN

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